

Reporting period: Quarter 3, 2011-12

Corporate priority: Regeneration and the economy

Background: Projections for the nation's economy remain uncertain, with expectations for growth in consumer spending being weak in anticipation of a contraction to household incomes. The Island's output growth is forecast to dip below that for the SE region in 2013, reflecting the reductions in the public sector and its associated impact on the private sector, while a similar picture is given in terms of employment growth which is anticipated to be slow until 2013. Over the coming year, the council's Economic Development Delivery Action Plan (2011/12 to 2013/14) will remain focussed on the same key areas of activity as applied in 2010/11:

- Increasing inward investment;
- Provision of sufficient employment land;
- Development of a skilled workforce in key sectors;
- Promotion and expansion of renewable energy activities;
- Installation of a superfast broadband network;
- Developing and promoting a 21st century tourism offer.

See the [Isle of Wight Council Corporate Plan 2011-2013](#) for full details regarding the council's commitment to regeneration and the economy.

Actions carried forward

1. At the meeting of Cabinet on 13 December 2011, it was decided that the establishment of an Economic Improvement Fund of £250k (on the basis set out in Appendix 7 to the Cabinet report) be agreed.
2. The Economy & Environment Scrutiny Panel held on 28 September 2011, resolved that an update on actions being taken on the delivery of the six strands contained in the Economic Strategy be considered by the Panel at its March 2012 meeting.
3. The Economy & Environment Scrutiny Panel held on 23 November 2011, resolved that a report on employment opportunities, especially for young people, be submitted to the Panel and relevant stakeholders such as the Chamber of Commerce and Youth Council be invited to the meeting.

Summary

Status: GREEN

Risk: The risk relating to the Island's economic position has remained consistently high scoring (red) over the last three quarters, linked to the wider national economic downturn. The control measures listed, as well as the activities highlighted in the performance commentary would, under normal circumstances, drive the risk score down however this may be restricted by the global and national financial climate.

Finance: There are no direct financial pressures on budgets relating to this priority at this time.

Performance: Performance this quarter has been positive with support provided to potential investors and in-person approaches despite the difficult economic conditions, this activity might indicate that a more challenging target could be set for 2012. In overall terms, the performance of the council for this priority is strong with new initiatives to be put in place in 2012/13 to provide encouragement and confidence within the local economy.

[Link to quarter three data report](#)

Performance commentary

'Islandbreaks' website

The cumulative number of unique visits to the islandbreaks website at the end of quarter three was 431,647, just below the target of 442,046. In December 2011 alone there were 18,403 unique visits to the site which represents an 18% increase on the number of hits during December 2010.

There were 71,185 unique visits to the website during quarter three which again represents a 12% increase when compared to quarter three last year. It is anticipated that the end of year target will be met as the 2012

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marketing campaign begins. This will continue to focus on the successful “Great British Island” theme established in 2011 and the campaign will commence with large outdoor billboards and smaller digital displays in late January/February. The campaign will run throughout the year across a range of media including magazines, web activity and social media.

Potential Investors

Six additional potential investors were receiving support during the third quarter which raises the cumulative number for the year to 18 against a target of 10. The investors are from a variety of sectors including marine, Solar, IT and construction. The end of year target of 15 will be exceeded with performance established in quarter three. The *‘number of in person approaches made to potential investors’* now stands at 19 for the year against a target of 7. Performance in this area is much better than expected (assisted by proactive work at events like the Tidal Energy Summit) and again the end of year target has already been exceeded.

In late November, the council's Low Carbon Projects Officer visited the International Tidal Energy Summit in London with over 350 delegates in attendance. Although the council did not take a stand at the event this year, we were able to renew contacts from last year and make a number of new contacts. The event continues to prove to be popular amongst industry executives and also offers the opportunity to promote the SOEC (Solent Ocean Energy Centre) and a new project SOREC (Solent Offshore Renewable Energy Consortium) which is in the final stages of consideration for funding by DEFRA.

Advice and guidance to business

The *‘number of in person advice and guidance activities with businesses seeking to grow and develop on the Island’* is performing well and is above target for the third quarter. It is anticipated that the end of year target of 25 will be met and demand will continue to grow, partially as a consequence of the demise of the local Business Link offer and a move to a national online service for business support and advice.

Economic Improvement Fund

The introduction of a £250k Economic Improvement Fund is planned for roll-out in 2012/13. The fund, allocated on a proportional basis to all 33 town and parish council areas and match-funded by the authority, will be specifically for projects contributing directly or indirectly to economic well-being including opportunities for young people to learn new work-related skills.

Economic Development

A revised Economic Development Delivery Action Plan for the period 2011/12 to 2013/14 has been agreed by the Deputy Leader and Cabinet Member for the Economy and Environment which sees the creation of a number of initiatives intended to:

- Invest £3 million in the installation of superfast broadband for the Island that will secure Government funding of £3.2 million towards these works. Set alongside the BT's recent announcements it is hoped that a minimum of 90% of Island premises will have access to superfast broadband by 2015.
- Allocate £1 million of funding, alongside £2 million funding from the private sector to secure the licences and permissions necessary to unlock the private investment required to develop the Solent Offshore Energy Centre (SOEC). This could also be complemented by funding secured through a further bid to the Regional Growth Fund.
- Provide new funding of £300,000 in order to tackle youth unemployment and create new employment opportunities for a minimum of 160 young people. This would be done by extending the numbers on the pre-apprenticeship scheme introduced in 2011/12, supporting new full apprenticeships for young people and a new initiative for young entrepreneurs looking to start their own businesses, supported by mentoring provided by established businesses. The council could also use this funding to organise a Jobs Fair for Island businesses to promote job and apprenticeship opportunities to local young people.
- Work with the tourism industry to develop a new private sector led tourist board (Destination Management Organisation) to lead the development and growth of an industry so significant to the Island's economy.
- Commit £500,000 of funding to encourage the Homes and Communities Agency (HCA) to prioritise its investment in, and development of, its employment sites on the Island over its mainland sites.

In addition to these initiatives, there may be other schemes which the council could help facilitate and fund, on a one-off basis, to support economic growth and development. Contributions from businesses and key representative bodies and an examination of best practice across the country will be important in identifying

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further opportunities for the council to this end. Some of the schemes likely to be supported through the council's recently established Economic Improvement Fund will also contribute to economic wellbeing throughout the Island.